

~~SECRET~~

25X1



NUMBER FOUR

5 January 1959

25X1

RECORD  
COPY



~~SECRET~~

~~SECRET~~

19. East German Escapees (Note "The Status of East Germany" in Item 17.  
Propaganda Guidance No. 3)

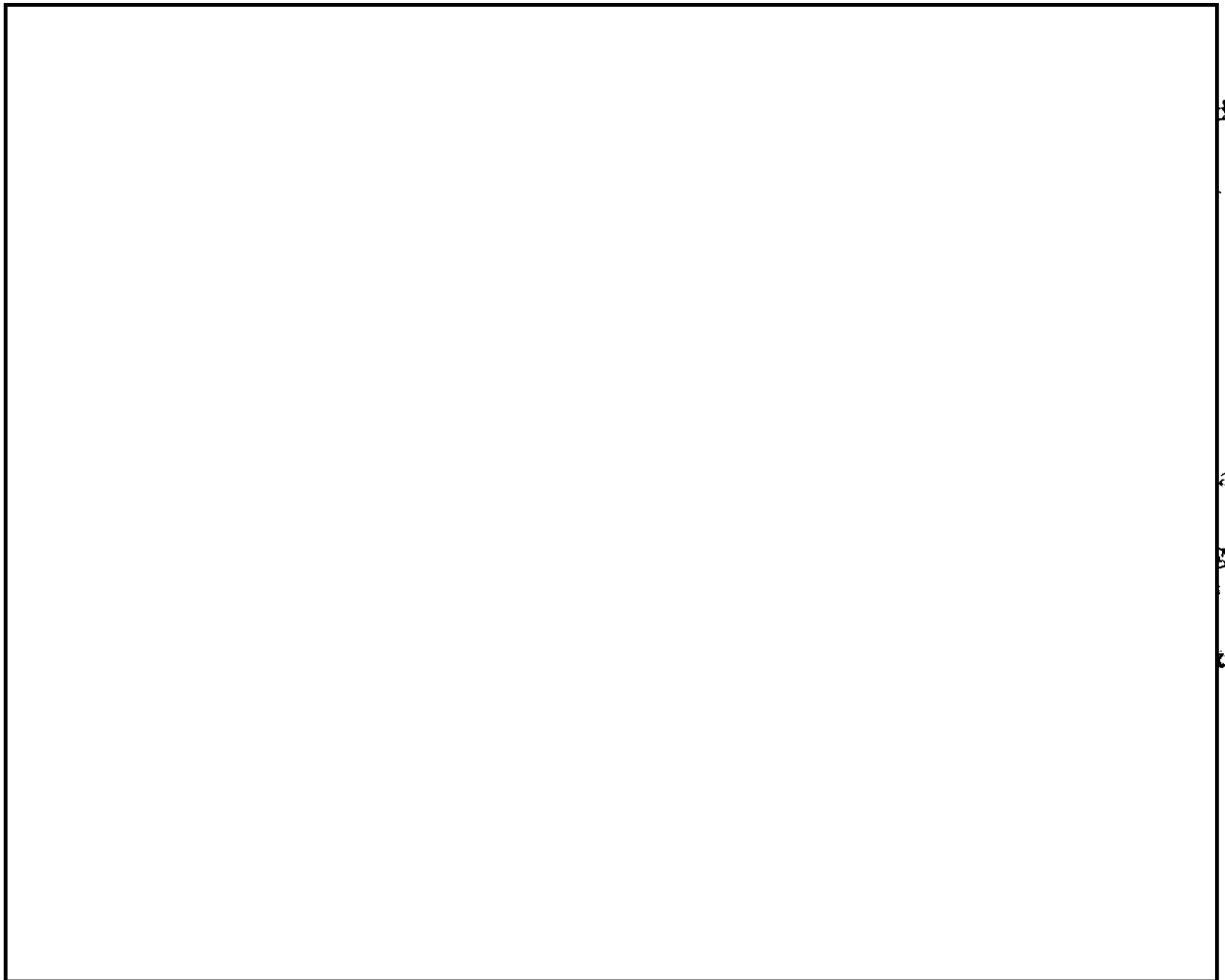
The East German regime recently admitted growing concern over the increasing number of professional people who are fleeing to West Berlin. The East German Communists have failed in an attempt to bribe the professional people back to East Germany. The continuing flow of thousands of East Germans escaping to freedom in West Berlin has for a long time been a major cancer in the side of the Communist world because the escapees are dramatic evidence of people rejecting Communism.

25X1

~~SECRET~~

~~SECRET~~20. India-Chicom Tensions

India attempts to remain aloof from the cold war, has tried to cultivate friendly relations with Communist China, and has supported the latter's demand for membership in the United Nations. Recently, however, relations appear to be cooling. Indian grievances include: large-scale Chicom military preparations in Tibet and oppression of the Tibetan people, prevention of Nehru's scheduled visit to Lhasa, border clashes, continued distribution of maps of Communist China which include Indian territory, Chicom subversive activity in Nepal, dumping of Chicom textiles in India's traditional Southeast Asian export markets, and Peking's encouragement of the Hungarian executions which stirred strong anti-communist feeling in India. Nehru has ordered government officials to avoid entanglement with certain Communist front groups. The World Marxist Review--Problems of Peace and Socialism, house organ of international Communism, has begun attacking Nehru. The author of one of the articles is the Soviet ambassador to Peking.



25X1

~~SECRET~~

~~SECRET~~**21. Grotewohl Visit to Asia**

On 4 January Otto Grotewohl of the "German Democratic Republic" commenced a tour of the Near and Far East. Most probably Grotewohl will attempt to (A) strengthen the image of the East German regime as a legal entity representative of the East German people and entitled to diplomatic recognition and (B) rally Afro-Asian and neutralist support for the East German-Soviet position on the Berlin issue. Our major objective is to discredit Grotewohl and his attempts to engender this support by emphasizing the fact that Grotewohl represents a puppet regime, which without Soviet support would collapse overnight.

this  
hl  
hl,  
eed  
erlin?  
uld  
ny  
A  
E  
st  
tively  
ry

25X1

~~SECRET~~

~~SECRET~~**22. Reports of Mao's Impending Retirement**

The Chinese Communists have reported Mao Tse-tung's plans to resign as Chairman of the Chinese Peoples' Congress scheduled for March 1959. His resignation from this position will not be significant in terms of the power he wields, so long as he retains his place as Chairman of the Chinese Communist Party, which is the real seat of power. Chu Te, Vice-Chairman of the government and former commander of the Chinese Communist armed forces, is Mao's probable successor.

him  
ngnuc  
ich

ing

eful

~~SECRET~~

25X1

**Page Denied**

23. Berlin Occupation Rights

On 20 December the Department of State issued a press release outlining the legal aspects of the Berlin situation. This document reviews and analyzes the history of Four Power negotiation on the status of Berlin and conclusively demonstrates the legal validity of the Western position. In conclusion it states "There can be no legal or moral doubt of the right of the United States to maintain its right of occupation in Berlin and its corollary right of access thereto and that efforts of the Soviet Union to assail and interfere with those rights is in violation of international law."

25X1

~~SECRET~~

#### 24. Soviet Economic Pressure on Finland

Finland's government, formed by Fagerholm on 29 August 1958, collapsed on 4 December as a direct result of Soviet "salami" tactics employed since the end of WW II. The start can be traced to Finland's expansion of its shipbuilding industry which was the only way to meet reparations payments required by the USSR. When the payments were completed the large industry was without a market for ships in the west and thus completely dependent upon the USSR. In November, 1958, the USSR canceled its orders for ships, thus throwing thousands out of work. The USSR next reduced its purchases from Finland, ostensibly to reduce Finland's large (\$46.5 million) and growing credit balance. Finland was offered only automobiles, canned food, crabmeat, and caviar which it neither needs nor wants and has been refused the Soviet oil, gasoline and wheat which it wished to purchase. The Soviets sufficiently weakened the coalition to insure its collapse, by promising a loan which was later withheld, by withdrawing their ambassador, and by refusing to renegotiate a trade agreement.

25X1

~~SECRET~~